



# NEWSLINE

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Tennessee Department of Commerce and Insurance*



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## Chairperson's Message "Look to the Future"

by John C. McLemore, Chairperson



The "eBay Bill" passed the House, passed the Senate and has been signed by the Governor. Internet drop off stores are exempt from the auction laws of Tennessee.

A newspaper reporter called a few days ago to ask if I was disappointed. I told her I was and explained one last time that I thought the consumers of our state would be better protected if drop off stores were required to have gallery licenses.

It may be during the next few months, or perhaps the next few years a claim will be made against the Auctioneer Commission's Recovery Fund by someone who has had a bad experience after making a consignment to an Internet drop off store. We will have to tell them drop off stores are exempt from the auction laws and they will have to seek help elsewhere.

The "eBay Bill" is very short and very simple. It adds exemption number nine to the list of those who are not governed by the auction laws of our state. This is how it will appear in the Tennessee Code:

**Exemptions.—** The provisions of this chapter do not apply to: ....

- (9) Any fixed price or timed listings that allow bidding on an Internet web site but which do not constitute a simul-cast of a live auction.

This is the same exemption Bankruptcy Trustees, Chancery Court Receivers, charity auctions and livestock auctions among others have had for years.

Now may be the time for the licensed auctioneers in Tennessee to begin drawing a clear line between "on site" auctions and cyber auctions.

There are 2,085 licensed auctioneers in Tennessee. With very few exceptions all have graduated from an accredited auction school, served an apprenticeship and continue to keep abreast of law and procedure by attending continuing auction education courses.

## COMMISSION MEMBERS AND STAFF

**John McLemore, Esq.,** Chairperson  
Consumer Member  
Term 9/1/04 - 8/31/07

**Howard Phillips,** Vice Chairman  
Term 9/1/03 - 8/31/06

**Marvin Alexander,** Board Member  
Term 11/30/04 - 8/31/07

**Bobby Colson,** Board Member  
Term 8/31/04 - 8/31/07

**Kenneth Dreaden,** Board Member  
Term 11/10/05 - 8/31/08

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lynn.mcgill@state.tn.us

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**Website:** [www.state.tn.us/commerce/boards/auction](http://www.state.tn.us/commerce/boards/auction)

### MISSION STATEMENT:

The mission of the Tennessee Auctioneer Commission is to protect the public and licensees by monitoring the auctioneer profession through licensure and regulation.

STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE & INSURANCE  
TENNESSEE AUCTIONEER COMMISSION  
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**Chairman's Report (continued from page 1)**

That should be a marketing tool for every licensed auctioneer in our state, even those who may open Internet drop off stores.

For the 25+ years I have been hiring auctioneers to liquidate real estate and personal property for me in bankruptcies and other court proceedings, I have learned most of the buyers come from a 75 mile radius of the sale site. Many auctioneers are now expanding their audience by selling simultaneously to the crowd and online. Nonetheless, the lure of the auction truck, the tent in the front yard, funeral home chairs, a concession wagon, and the chant is still there.

That is the atmosphere I want when I liquidate an estate and I think most sellers are going to feel the same way.

Meanwhile, we are going to have fun watching to see what happens with the Internet Drop Off Stores and automobiles. A few were advertising cars and trucks for sale before the law passed. I am confident more are now. And, there is certainly reason to believe they are doing it legally. They have the same exception from the auction law as charity auctions.

Could it be the only people in Tennessee who cannot legally sell automobiles on consignment at auction are licensed auctioneers? Think about it.

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## **Recent Auction Law & Rule Change**

The official ruling regarding internet auction sites amends TCA Section 61-19-103 as follows:

**Auctions and Auctioneers - Exempts from requirement of auctioneer license fixed price or timed listings sales that allow bidding on Internet Web site but do not constitute simulcast of live auction. - Amends TCA Section 62-19-103.**

TCA Section 61-19-103: Exemptions.

The provisions of this chapter do not apply to:

- (1) Any person acting as a receiver, trustee in bankruptcy, guardian, administrator, executor, or other such person acting under order of any court;
- (2) Any trustee acting under a trust agreement, deed of trust, or will, or any secured party selling collateral after default by a debtor in accordance with title 47, chapter 9;
- (3) Any auction conducted by or under the direction of any governmental entity, or pursuant to any judicial order or decree;

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## **An Era Has Ended**

by Lynn McGill  
Administrative Director

He was there on the first day I went to work for the Tennessee Auctioneer Commission. He welcomed me to the Commission and made me feel at home. Before leaving he said, "Lynn, if there is anything I can do to help you, please feel free to call me." I called him. He kept his word and helped me and the licensees of this state.

Beginning 1999, discussions were first held on how to implement a continuing education program for auction licensees in our state. We needed someone to guide us in our quest, someone with a strong background in auctioneering and education, someone on whom we could depend to get the job done. We turned to Terry Evans. With ownership and management of Nashville Auction School, along with his own appraisal school and appraisal organization, Terry had the skills necessary to implement a solid, continuing education program. He also brought experience from speaking for other states' programs and association meetings.

I remember Commissioner Marvin Alexander introducing Terry at our first seminar and saying to the auctioneers present, "Terry Evans has probably done more for the auctioneers of this state than any other single person." I can agree with that statement. He has a vast knowledge and experience of the workings of the Tennessee Auctioneer Commission and has a good understanding of how the legislative process works. Most of the changes in the Tennessee Auctioneer License Law were written and promoted by Terry over the past 30 years. Every time he took on a legislative issue, he was successful.

For the past 15 years, Terry has lead our program most successfully and effectively. He has gone beyond the scope of his contract by voluntarily attending many board meetings, offering his input and expertise on many topics. He has spent innumerable hours by phone, fax and review. From the first day I went to work until this very day, our Staff and the Commission has called upon Terry Evans to provide information and services to the Commission. There were many times I would be talking to Commissioners about a particular issue and they would say, "call Terry Evans and find out what he thinks about this." I would call and he would provide me with background information, published information, and his opinion. He would never say, "this is

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## A PAGE IS TURNED

By Terry Evans, Editor



For the past 15 years, Ann and I have had the privilege of producing and managing the TAC seminar and newsletter program. This newsletter will be our last to compose and distribute. The 15 year ride has been great. We have met wonderful people we call our friends.

The decision to not submit a bid for the new contract was a difficult one. We knew we would miss the contact with our former students, friends, and the TAC staff. We knew we would miss the interaction with all involved in the auction business. In the end it was all about a redistribution of our time toward things we wanted to do. We wanted to spend more time on the lake and more time with our children and grandchildren. With that said, we are not in retirement. We will continue to work every day.

There are many people to thank. Lynn McGill and her staff have been there since the beginning of this program. They have always been committed to the seminar and newsletter program, providing information and support at every turn. All of the Commissioners that we have served along the way have been cooperative and helpful. Our relationship with all these folks has been a wonderful experience.

Last of all, we want to thank the apprentice auctioneers, auctioneers, firm owners and gallery owners who have attended the seminar programs. It is evident that these seminar programs have been helpful to those licensees young and old who have attended.

My last observation is "good auctioneers do not need laws to tell them to act responsibly, while bad auctioneers will do everything they can to find a way around the law." It is the responsibility of all the good auctioneers in Tennessee to help weed out the bad ones.

Please welcome the new vendor that will begin to produce this newsletter and manage and produce the seminar programs. We hope you will be as kind to them as you have been to us.

May God bless you each day and keep you safe.

### *An Era Has Ended (continued from page 2)*

what you *need* to do." He would always say, "I would suggest you might want to consider this in your decision making." In essence, he has been there for us whenever we needed him.

Now that Terry and Ann Evans have decided to step aside and let someone else provide the seminars and newsletter services to the TAC, I have mixed emotions. I know that it is good to see things change. I also know that I will miss the good relationship that I have had with Terry and Ann. They have always been kind to me and my staff. They have offered their time and knowledge on special projects without compensation.

The one thing I will remember about Terry is not his countless hours of free service to the licensees of this state, but the fact that in all of these years of his relationship with the Tennessee Auctioneer Commission he has never asked me or the Commission to do one favor or make an exception for him or anyone else. Every day I have people wanting me to "do them a favor" or "make an exception for them." I can truly say that Terry Evans has never asked for special treatment.

This is what I remember most about Terry Evans, "volunteer service without reward".

*Take advantage of the convenience of online renewal. Renew your license or check your continuing education credit at your convenience - Use our online renewal process - Quick and Easy! Go to*

<http://www.tennesseeanytime.org/tnauct/>

*Didn't get your newsletter? You can read and print current and past issues of the newsletter from this site. You can also look up a licensee by name or address.*

### ***Next TAC Board Meeting***

**July 17, 2006 @ 9:00 a.m. (Central)  
Room # 640, Davy Crockett Tower  
Nashville, TN**

**If you wish to be included in the meeting's agenda, please contact Lynn McGill at 615-741-3236.**

**Rule Change (continued from page 2)**

(4) Any auction conducted by or on behalf of any political party, church, or charitable corporation or association, if the individual conducting the sale receives no compensation and does not, by advertising or otherwise, hold such individual out as available to engage in the sale of goods at auction;

(5) Any person performing acts in the regular course of, or as an incident to, the management of, and investment in, property owned or leased by such person, if such property was not acquired for the purpose of resale. When a sales tax, as provided by title 67, chapter 1, is not levied upon the sale of personal property, there is a presumption that such personal property was purchased for the purpose of resale;

(6) Any auction conducted for the sale of livestock sponsored through or in cooperation with the state department of agriculture and/or the University of Tennessee extension service;

(7) Any auctioneer conducting a sale of tobacco at or for a warehouse operated pursuant to title 43, chapter 19; or

(8) Any livestock auction sale regulated by the United States department of agriculture packers and stockyards administration, if the sale uses:

(A) The shipper's proceeds account required by federal regulations; and

(B) A Tennessee licensed auctioneer.

[Acts 1967, ch. 335, § 3; 1969, ch. 247, § 1; 1976, ch. 824, § 2; 1978, ch. 569, § 2; T.C.A., § 62-1903; Acts 1983, ch. 250, § 3; 1984, ch. 1000, §§ 1-4; 1986, ch. 915, § 1; 1991, ch. 485, § 4.]



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"The Tennessee Department of Commerce and Insurance is committed to principals of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 741-2177 (TDD).

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## **NEW SEMINAR VENDORS BEGIN JULY 1<sup>ST</sup>**

by Lynn McGill  
 Administrative Director

The Tennessee Auctioneer Commission is happy to announce that Wendell Hanson, CAI, AARE, and Nashville Auction School will be the new vendor providing seminar and newsletter services under a new contract.

Wendell Hanson is the President of Nashville Auction School. He is a graduate of the school and owner of Hanson Realty and Auction Company, Tullahoma, Tennessee. Wendell has earned the CAI designation (Certified Auction Institute), AARE designation (Accredited Auctioneer of Real Estate), and is a candidate for the GPPA designation (General Personal Property Appraisal). He holds a degree from Motlow College in Management and has been in the auction business for over ten years.

The day to day operations will be managed by Rhessa Orr. Rhessa holds a BS in Education from the University of Tennessee and brings to the program a lifetime of experience in the auction business. She holds a GPPA (General Personal Property Appraisal) designation. She teaches Personal Property Appraisal, Antiques, and small business start-up for Nashville Auction School.

We welcome Wendell, Rhessa, and Nashville Auction School as our new vendors. We look forward to a successful relationship.